

## Message Text

CONFIDENTIAL

PAGE 01 PANAMA 01292 201545Z

43

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 ISO-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 XMB-02 OPIC-03 /110 W

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R 201415Z FEB 76

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 6810

INFO AMEMBASSY BOGOTA

AMEMBASSY BUCAREST

AMEMBASSY BUDAPEST

AMEMBASSY GUATEMALA UNN

AMEMBASSY MANAGUA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMCONSUL GUAYAQUIL

AMEMBASSY ABIDJAN

AMEMBASSY MEXICO

AMEMBASSY SANTO DOMINGO

PANCANAL

USSOUTHCOM

C O N F I D E N T I A L PANAMA 1292

E.O. 11652: GDS

TAGS: ECIN, PN

SUBJECT: BANANAS: PANAMA AND UNION OF BANANA EXPORTING COUNTRIES  
(UPEB)

REF: (A) TEGUCIGALPA 0643 (B) PANAMA 0790 (C) PANAMA 0247

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PAGE 02 PANAMA 01292 201545Z

1. AT BREAKFAST SESSION FEBRUARY 17 WITH ECONOMIC/COMMERCIAL

COUNSELOR AND AID DIRECTOR, LIC. JULIO E. SOSA, MINISTER OF COMMERCE AND INDUSTRIES MADE--INTER ALIA--FOLLOWING COMMENTS ON GOP RECENT PARTICIPATION TO RECENT UPEB MEETING AT TEGUCIGALPA (REF A).

2. GOP WENT ON ALL OUT EFFORT TO DISPEL UPEB'S BELIEF THAT GOP "GOT A RIDE" ON ITS AGREEMENT WITH UNITED BRANDS (UB) CONCLUDED EARLY LAST JANUARY (REF C). SPECIFICALLY, UPEB HAD "FROZEN" THE EXPORT TAX OF 35 CENTS FOR A PERIOD OF FIVE YEARS. GOP ASSURED UPEB THAT THIS WAS NOT THE CASE AS IT WAS GOP POLICY TO ADHERE TO ITS COMMITMENTS TOWARD UPEB AND THAT IT HAD THE OPTION TO IMPOSE HIGHER EXPORT TAX WHENEVER UPEB CHOSE TO DO SO.

3. ALTHOUGH GOP HAD HIGHEST REGARD FOR UB PRESIDENT WALLACE BOOTH AND PANAMA RESIDENT REP WALKER, IT SUSPECTED FOREGOING UPEB CONTENTION STEMMED FROM INSIDIOUS CAMPAIGN OF FALSE RUMORS AND REPORTS UNDERTAKEN BY UB REPS IN CENTRAL AMERICAN COUNTRIES WITH VIEW TO BREAKING UP UPEB.

4. UPEB HOPED TO ESTABLISH LATIN AMERICAN CORPORTATION WITHIN ONE YEAR. GOP BELIEVED THIS SHOULD NOT AFFECT UB SINCE SUBJECT CORPORATION WOULD SEEK MARKETS OTHER THAN THOSE OF UB, I.E. SOCIALIST COUNTRIES, HUNGARY, RUMANIA, ETC.

5. TO COUNSELOR'S QUERY, MINISTER SOSA OPINED ECUADOR'S ABSTENTION WOULD HAVE NO RPT NO BEARING ON UPEB'S FUTURE. HIS RATIONALE ALTHOUGH ECUADOR WAS WORLD'S LARGEST BANANA PRODUCER, UPEB'S "CHIQUITA" QUALITY ENJOYED WORLDWIDE PREFERENCE.

6. COUNSELOR EXPRESSED DOUBTS OF UB COMPLICITY WHICH RATHER AIMED AT DISRUPTION OF GOP/UB COOPERATION. TO THIS OBSERVATION, MINISTER SOSA INDICATED PERHAPS STANDARD FRUIT--UB'S COMPETITOR-- WAS THE CULPRIT.

7. WALKER, AT SUBSEQUENT MEETING WITH COUNSELOR, REFUTED GOP ALLEGATIONS AND AGREED WITH COUNSELOR'S DEDUCTION THAT THERE WAS STRONG POSSIBILITY, FERNANDO MANFREDO JR., MINISTER SOSA'S PREDECESSOR, COULD BE THE MAN BEHIND THE SECENES. (KNOWN FACT THERE WAS NO RPT NO LOVE LOST BETWEEN UB AND MANFREDO). UB  
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PAGE 03 PANAMA 01292 201545Z

WALKER STILL BELIEVED TO REPORT WORTHLESS WITHOUT ECUADOR (REF B).

8. WALKER TOOK OPPORTUNITY TO REPORT WARREN BRECK RECENTLY APPOINTED VICE PRESIDENT FOR UB LATIN AMERICAN OPERATIONS. HE WILL OPERATE FROM BOSTON. WARREN REPLACED SAN JOSE-BASED ENRIQUE LOPEZ BALBOA. WALKER ALSO REPORTED HE WAS STILL IN CHARGE OF PANAMA OPERATION AND THAT HIS ADDITIONAL ASSIGN-

MENT WAS TO NEGOTIATE SOON FOR A NEW COSTA RICA/UB AGREEMENT  
IN SAN JOSE.  
JORDEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANANAS, CARTELS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MartinML  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Errors:** N/A  
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**Review Transfer Date:**  
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**Subject:** BANANAS: PANAMA AND UNION OF BANANA EXPORTING COUNTRIES (UPEB)  
**TAGS:** ECIN, ETRD, EAGR, PN, UNITED BRANDS, UPEB  
**To:** STATE  
**Type:** TE  
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